

October 31, 2010

Access to Insurance will Boost Soybean Production, Increase Economic Opportunities and Lower Feed Costs for Local Dairy Farmers

WASHINGTON, DC-Today, U.S. Rep. Michael A. Arcuri (NY-24) and Senator Charles E. Schumer (D-NY) announced that the U.S. Department of Agriculture (USDA) has expanded its Soybean Crop Insurance Program to an additional 14 counties across Upstate New York, which will increase crop opportunities and reduce feed costs for local farmers. Currently the program, which covers farmers' soybean crops when they are damaged by severe weather, insect or weed infestation, is not available in some Upstate counties, putting local farmers at a competitive disadvantage.

"Senator Schumer and I have been advocating for the expansion of Soybean Crop Insurance across Upstate New York. I am thrilled that USDA has heeded our calls and come through for our local farmers," **said Arcuri**. "Access to crop insurance is a great incentive for our farmers to begin producing soybeans. Not only is this a great economic opportunity for crop growers, but the increases in soy production from this expansion will help our dairy farmers lower their cost of production through reduce feed costs.

"Today's announcement by the USDA is a win-win for our farmers; they'll get an economic shot in the arm from this profitable crop and finally have access to the same tools that other farmers around the country have," **Senator Schumer said**. "In June, I called Secretary Vilsack and told him that soybeans could take off in New York if our farmers got USDA insurance and now that will happen. I want to thank Secretary Vilsack for being so responsive to the needs of our farmers."

Town of Sullivan Supervisor (Madison County) and Grain Farmer John Becker said, "We certainly commend Congressman Arcuri's leadership on getting our farmers insurance coverage for soybeans in Madison County. This will certainly help our struggling farmers as they diversify

from one aspect of farming to another. As you know, dairy farmers have struggled for years with low milk prices. This will help them the most. Again, we thank Congressman Arcuri for his leadership on key issues and working with us for the past year and a half to get this very important job done. Thank you from all Madison County farmers, and our Madison County Board of Supervisors."

Gary Sherwood, Owner of Sherwood Dairy Farm and Nutritionist at Pohl's Feedway in Verona, NY, said, "I really appreciate Congressman Arcuri's efforts to increase access to crop insurance. Soybeans are a viable alternative crop for local farmers. Production has gone from basically nothing to a few hundred thousand bushels in the region over the past few years. Soybeans not only represent added income potential, but also the opportunity for dairy farmers to become more self-sufficient and lower their feed costs."

Agriculture producers seeking to manage risk may purchase insurance for their crops. USDA's Risk Management Agency pays a portion of producers' premium costs for insurance policies and also pays some of the delivery and administrative costs of private insurance companies that handle policy sales, thus ensuring local farmers have the necessary protection against risk to grow the crop. Soybean coverage has not been offered in these counties, forcing producers to rely on catastrophic coverage, higher-priced private coverage, or go without insurance.

Schumer and Arcuri have worked together to secure soybean insurance to 14 more of New York's counties including: Chemung, Chenango, Clinton, Columbia, Dutchess, Essex, Franklin, Herkimer, Madison, Oneida, Otsego, St. Lawrence, Tioga and Washington. In June, Schumer personally called Secretary Vilsack, while Arcuri contacted USDA Risk Management Agency Administer William Murphy, who oversees crop insurance programs, to ask USDA to expand the program to more counties in New York. Today's announcement will unleash the entrepreneurial spirit of New York's farmers by giving them an incentive to produce this increasingly profitable crop.

In addition to giving farmers alternative crop opportunities, increased soy production would help combat rising feed costs that greatly contribute to dairy farmers' high cost of production. Soybeans are a common ingredient in the total daily ration that many local farmers feed to their herds, along with feed like alfalfa and corn. High demand for corn and expected decreases in corn yield has continued to keep dairy farmers' feed costs elevated and to cut into their profit margins. With cheaper and more readily available soybeans, dairy farmers will be able to lower their cost of production by increasing the soy content in their feed rations and rebuild their equity and profitability after one of the worst years on record in the past four decades.

According to the USDA, the U.S. has over 70 million acres of land that produces well over 2.5 million bushels of soybean annually. Better protecting our soybean crops by expanding the federal government's insurance program will likely increase production as profitability increases. During the last period where statistics have been finalized (2006-2007), the price of a bushel of soybeans jumped over 57% making the need to lock in a robust soybean insurance program for farmers in places like Upstate New York all the more important.

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